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COMMITTEE PRINT

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**CONCURRENT RESOLUTION
ON THE BUDGET
FY 2011**

COMMITTEE PRINT TO ACCOMPANY
S. CON. RES. 60
together with
ADDITIONAL AND MINORITY VIEWS

**COMMITTEE ON THE BUDGET
UNITED STATES SENATE**

KENT CONRAD, *Chairman*



APRIL 2010

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ERRATA

The following document was inadvertently omitted from the Senate Committee on the Budget Committee Print to accompany S. Con. Res. 60 (111th Congress) (S. Prt. 111-45). It should be inserted at page 104.

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United States Senate
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
WASHINGTON, DC 20510-6175

March 5, 2010

The Honorable Kent Conrad
Chairman
The Honorable Judd Gregg
Ranking Member
Committee on the Budget
United States Senate
Washington, DC 20510

Dear Chairman Conrad and Ranking Member Gregg:

In response to your letter of February 12, 2010, we present the following views and estimates for certain programs under the jurisdiction of the Committee on Environment and Public Works. As in previous years, a brief summary of the Committee's legislative initiatives is also included.

The dollar levels represented in these views and estimates are the fiscal year (FY) 2010 enacted levels compared to the President's FY 2011 budget request released in February 2010.

Legislative Initiatives:

The Committee on Environment and Public Works intends to move forward with several legislative initiatives this year. With respect to the Committee's legislative agenda, the Committee anticipates moving forward with comprehensive transportation legislation that will authorize Federal highway, transit and highway safety programs and includes direct spending. In addition, the Committee has reported legislation to reauthorize and increase funding levels for the Clean Water and Safe Drinking Water State Revolving Funds, which has direct spending impacts. The Committee also anticipates action on a Water Resources Development Act; legislation that improves EPA programs to protect and restore large aquatic ecosystems; legislation that reforms the Toxic Substances Control Act, the law enacted in 1976 that regulates the manufacturing, processing and distribution of chemical substances and mixtures in our country; as well as several other pieces of legislation.

1. Environmental Protection Agency

The Committee supports EPA efforts to protect public health, increase job opportunities and promote community revitalization by assessing, cleaning up and redeveloping brownfields. The Committee supports EPA's emphasis on programs for maintaining and enhancing drinking water and wastewater infrastructure. The Majority supports the Agency's initiatives to enhance children's health safeguards through the Office of Children's Health Protection. The Majority also supports EPA's efforts to protect public health and the environment by developing initiatives to address global warming pollution.

President's Requested Funding for the Environmental Protection Agency

The Majority supports the Administration's request for funding for EPA. The EPA's programs protect public health and environmental quality and provide opportunities to create good jobs in clean, sustainable industries in communities across our country. The Majority supports a continued strong federal commitment to investing in EPA. The EPA's programs support critical public health and environmental protections, including programs that address global warming, clean drinking water, clean air, children's health protections, and water quality in our lakes and rivers.

State Revolving Loan Funds

The President's budget request includes \$3.3 billion for grants to States for capitalization of Clean Water State Revolving Loan Funds (CWSRFs) and Drinking Water State Revolving Loan Funds (DWSRFs). This is a \$200 million reduction from the FY 2010 level. We urge that the budget resolution support robust funding for these important and successful programs. The Committee has reported legislation (S. 1005) that would authorize \$5.2 billion for these two programs in FY 2011 (\$3.2 billion for the CWSRF and \$2 billion for the DWSRF).

The national need for investment in water and wastewater infrastructure through the CWSRF and the DWSRF continues to far outpace the amount of funding that is available from all levels of government. The most recent estimate of wastewater needs is EPA's 2004 Clean Watersheds Needs Survey, which identified \$202.5 billion in projects for publicly owned treatment works. EPA estimates the need for drinking water capital investment nation-wide is \$334.8 billion for the 20-year period from 2007 - 2027.

Investment in these programs helps communities meet public health standards and reduce pollution into lakes, rivers and streams while also creating jobs. An independent economic analysis commissioned by the National Association of Utility Contractors and completed in July 2009, estimates that water infrastructure spending creates up to 26,669 jobs per \$1 billion of investment.

States have continually demonstrated the ability to quickly invest this funding. The \$6 billion in funding provided for these programs under the American Recovery and Reinvestment Act (ARRA) was under contract within one year of enactment of that legislation. In addition, the Environmental Council of States, which represents many of the state agencies responsible for

administering the state revolving funds, surveyed its members regarding near-term wastewater and drinking water infrastructure needs and identified \$56.02 billion (\$33.53 billion for wastewater and \$22.49 billion for drinking water) in funding needs beyond what the states have received through ARRA and the FY 2009 and FY 2010 appropriations bills.

Other Water Cleanup Funding

The EPA Geographic Programs undertake important efforts that protect crucial areas such as the Great Lakes, Chesapeake Bay, Puget Sound, San Francisco Bay, Long Island Sound, Columbia River Basin and other environmentally vulnerable ecosystems. The President's budget requests \$63 million for FY 2011 for efforts to implement the President's Executive Order to protect and restore the Chesapeake Bay. It also builds on existing efforts to address Hypoxia in the Gulf of Mexico by targeting over \$12 million to a new program in the Mississippi River Basin, and it proposes \$475 million for restoration of the Great Lakes. The Majority supports these regional programs that are designed to address unique problems faced by communities and the environment in these areas.

The Committee supports an increase in funding of, and urges a strong federal commitment to, EPA's nonpoint source reduction program (Section 319) in order to better address nonpoint sources of pollution that impair the nation's waterways.

Cleaning up Superfund Toxic Waste Sites

The President's budget provides the Superfund program with \$1.29 billion. This is a \$13.4 million reduction from FY 2010 enacted levels. The overall Superfund request includes a \$3.4 million requested increase in enforcement funding. According to EPA, each dollar of funding for enforcement activities returns \$8 in resources for cleanups. In FY 2011 the federal government should continue to underscore its commitment to restore the pace of long-term cleanups at toxic waste sites listed under the Superfund program. In particular, the Committee is interested in which actions the Agency intends to take to increase the annual pace of cleanups.

The nation has 1,279 Superfund sites listed on the National Priorities List, the most heavily contaminated toxic waste sites in the country. Human exposure is not under control at 84 Superfund sites, and EPA has insufficient information to determine whether human exposure is under control at more than 177 other sites. Over the last eight years, the Superfund program's pace of cleanups has declined by roughly 50 percent compared to the last eight years of the prior administration, from about 80 cleanups per year to about 40 – with EPA only cleaning up 24 sites in 2007, 30 sites in 2008, 20 sites in 2009, and an anticipated 22 sites in 2010 and 25 sites in 2011.

The Majority supports the Administration's efforts to provide this landmark cleanup program with a stable funding source from polluters. Such funding is essential to ensure that people are protected from dangerous toxic waste and that polluters pay to clean up their waste sites. It also helps to ensure that the Superfund program promotes the revitalization of communities working to redevelop blighted land and to provide good jobs cleaning up toxic waste sites in communities across the country.

Cleaning up Brownfields

In 2001, Congress enacted the nation's brownfields cleanup program, authorizing \$200 million annually for site assessment and cleanup. Brownfields are areas where contamination issues inhibit redevelopment efforts. The federal brownfields program is one of EPA's most popular and successful programs. The FY 2011 budget requests a more than \$41 million increase in funding for the Brownfields program. Even with this increase in funding levels, EPA may not be able to fund all eligible requests.

The Majority supports a strong federal commitment to the brownfields program consistent with the program's success. The Majority similarly supports a strong commitment to the Agency's Smart Growth program and Sustainable Communities Partnership. Smart Growth initiatives promote local, environmentally sustainable economic revitalization efforts that can complement and build on the success of the brownfields program. The Sustainable Communities Partnership is a collaborative effort between EPA and the Departments of Housing and Urban Development and Transportation to coordinate housing, transportation, and environmental investments to promote economically strong and environmental sustainable community development that protects the health of families, workers and children.

Preventing and Cleaning Up Leaking Underground Storage Tanks

Leaking underground storage tanks (UST) are one of the nation's most serious threats to groundwater quality. The nation has roughly 611,000 USTs federally-regulated USTs that store petroleum and hazardous substances that can contaminate the environment and harm human health. There is a national backlog of more than 100,000 needed cleanups. The Government Accountability Office estimates that it would cost roughly \$12 billion to cleanup all leaking tanks, as of 2005.

The UST program has approximately \$3 billion in a trust fund designated to help clean up these sites. In recent years this fund has earned more than \$100 million in interest, while cleanups funds have fallen short of even this amount. The federal government should commit itself to vigorously supporting this vitally important cleanup program that can protect public health, protect drinking water supplies, and help communities speed redevelopment efforts.

Global Warming

The Majority believes it is critically important that EPA programs that address the threat of global warming are adequately funded, and strongly supports the Agency's efforts to address such emissions. The Majority also supports a continued commitment to the highly successful Energy Star program and an emphasis on EPA's Science and Technology activities for the Agency's Climate Protection Program.

Selected Other EPA Programs

The Committee supports EPA's science and technology programs that promote clean industries. The Agency has many top laboratories, including the National Vehicle and Fuel Emissions Laboratory. The Committee believes that the federal government should intensify its efforts to expand EPA's existing scientific and technological capabilities to develop, apply, and help commercialize a new generation of vitally-needed clean technologies.

The Committee supports the budget's request for an increase in funding to bring in top research scientists to help support EPA's efforts to address endocrine disrupting chemicals, nanotechnology and other important and emerging environmental and public health issues.

The budget provides a 3 percent increase in funding to help promote environmental justice activities.

Air Quality

The Budget provides level funding for diesel emissions grant projects. Diesel engine retrofits are one of the most cost effective ways of obtaining reductions in air pollution and in reducing the risk of premature death from particulate matter. The Committee supports efforts to ensure that public health protections benefit from a strong retrofit program, especially in areas such as ports where public health is known to be threatened by existing levels of such pollution.

The Committee supports a strong federal commitment to state and local air quality grant programs that protect public health from dangerous levels of air pollution. These include program implementation, monitoring for criteria and other pollutants, and the development of new State Implementation Plans.

2. Department of Transportation, Federal Highways Administration

The President's budget request includes \$42.1 billion to fund our nation's highways and bridges, which is slightly less than the FY 2010 enacted level of \$42.8 billion. As part of this request, the Administration requests a transfer of \$200 million in highway funding to a competitive livability program that will assist States, local, and Tribal governments in integrating transportation, land use and conservation of natural resources. The Department of Transportation proposes to coordinate with the Housing and Urban Development Administration in implementing this program. This program would be a new policy, and as such, should be implemented subject to authorization in a comprehensive, multi-year reauthorization bill.

The President's request supports an extension of the current SAFETEA-LU authorization through March of 2011, to give the Administration and Congress time to complete and fund a long-term, transformational surface transportation bill. The Committee supports this approach and in July of 2009 approved an extension of SAFETEA-LU through March 31, 2011. More recently, the Senate adopted a bill drafted by this Committee that would extend SAFETEA-LU through December 31, 2010.

The Committee intends to reauthorize the \$286.4 billion transportation bill, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users. The vast transportation needs demand a robust funding level for the next multi-year surface transportation bill. As such the Committee requests a reserve fund to accommodate increases in the highway program. In addition, the Committee would like the Contract Authority for the highway program to build upon the FY 2009 levels prior to any rescissions.

Healthy investment in highway, transit and highway safety programs, including environmental improvements, will improve America's quality of life and will help meet the needs of our growing economy. Americans and businesses benefit every day from transportation investments through shortened travel times, increased productivity, and improved safety. Infrastructure is critical to America's quality of life. Infrastructure investments enhance the productivity of business and individuals. Failing to invest creates the disruptions that waste money, time, and fuel and undermine our competitiveness. Inefficient transportation is a drag on the economy.

According to the Texas Transportation Institute, traffic congestion continues to worsen in American cities of all sizes, creating an \$87.2 billion annual drain on the U.S. economy in the form of 4.2 billion lost hours and 2.8 billion gallons of wasted fuel. The report of the National Surface Transportation Policy and Revenue Study Commission states that we need to invest a minimum of \$225 billion annually over the next 50 years at all levels of government to bring our existing surface transportation infrastructure to a good state of repair and to support our growing economy. Combined, our states, our cities and the federal government are currently spending 40% less than that amount.

Furthermore, with our economy in recession, this is a critically important time to invest in our nation's infrastructure. The Department of Transportation estimates that every billion dollars of Federal transportation investments, which are matched by state and local funds, creates and sustains approximately 34,700 jobs. The American Recovery and Reinvestment Act provided a total of \$48 billion for transportation improvements, which included \$27.5 billion for the highway program. These funds are currently being used to improve our nation's infrastructure and are creating jobs. We need continued investment to maintain these jobs, and to make additional, needed improvements to our transportation infrastructure.

3. U.S. Army Corps of Engineers, Civil Works

The President's budget request for the civil works program of the Army Corps of Engineers is \$4.9 billion. The proposed funding level represents a decrease of \$506 million from the FY 2010 enacted level of \$5.45 billion. These levels do not reflect the full amount that the Corps could effectively invest. The committee supports more robust funding for the Corps of Engineers at a level consistent with the Corps capability.

The Committee notes that the American Recovery and Reinvestment Act provided \$4.6 billion for the Corps of Engineers, including \$25 million for investigations, \$2 billion for construction, \$375 million for the Mississippi River and Tributaries, \$2.075 billion for operations and maintenance and \$25 million for the regulatory program.

Investment in the civil works program of the Army Corps of Engineers offers many benefits. The nation's network of coastal ports and inland navigation systems is essential for the movement of raw and finished goods throughout the U.S. and overseas. Investing in these systems is necessary to ensure U.S. economic competitiveness in the global economy. The value of flood, hurricane and storm damage reduction measures and the cost of inadequately investing in this infrastructure has been demonstrated repeatedly by multiple natural disasters in recent years. Benefits also accrue from undertaking environmental restoration projects around the country, including in the Everglades, Upper Mississippi River, Missouri River, Coastal Louisiana, San Francisco Bay and countless other rivers and coasts.

The Committee notes that expenditures from the Harbor Maintenance Trust Fund (HMTF) for operation and maintenance of navigation projects have been significantly less than revenues in recent years. This has resulted in a significant surplus in the trust fund. The failure to fully fund activities that are supported through the dedicated HMTF is inconsistent with the collection of the user fees that support the fund. The Committee opposes cuts in expenditures from the HMTF for operation and maintenance of navigation projects while the fund surplus continues to increase. The Committee recommends that the budget resolution include within the context of overall increases in funding for the civil works program increased expenditures from the HMTF to match revenues.

The President's budget proposes a change in how the Inland Waterways Trust Fund (IETF) is funded. Specific legislation has not yet been provided. A cooperative effort involving the Inland Waterways Users Board and the Army Corps of Engineers has been ongoing for months to develop recommendations for ensuring the long-term viability of the inland waterways system. The Committee supports increased investment in the inland waterways system, and looks forward to reviewing a detailed proposal once available. The Committee urges the Administration to submit a detailed proposal for consideration as soon as possible.

4. Economic Development Administration

The President's budget request for the Economic Development Administration is \$246 million for FY 2011, which is a decrease of \$9 million from the FY 2010 enacted levels. This request is also significantly less than the level approved by this Committee in the Economic Development Revitalization Act of 2009.

Out of the \$246 million, the President has requested that \$75 million be used for regional planning and matching grants to support the creation of regional innovation clusters that leverage the existing strengths of particular areas and populations to generate jobs and economic growth.

The EDA has a long and successful history of creating jobs and increasing the economic vitality of communities through public works and economic adjustment assistance. The EDA's current authorization expired at the end of FY 2008. The Committee approved a new authorization of EDA in November 2009 and is working to enact that legislation this year. The Committee supports robust funding of EDA in the FY 2011 budget.

5. Department of the Interior

The budget proposes \$1.6 billion for the United States Fish and Wildlife Service (FWS), nearly level funding compared to FY 2010 enacted levels. The Committee urges a strong federal commitment in several FWS budget areas in FY 2011.

The Fish and Wildlife Service manages over 150 million acres of land and waters. The backlog of deferred maintenance at the National Wildlife Refuges and National Fish Hatcheries currently totals more than \$2.8 billion. The budget includes a decrease of \$960,000 from the FY 2010 enacted level for both operations and maintenance at refuges and national fish hatcheries as well as a \$13.7 million decrease for construction and rehabilitation. The budget also proposes decreases of \$1.5 million for the Multinational Species Conservation Funds and \$363,000 for the Partners for Fish and Wildlife program. Other important Fish and Wildlife Service programs, such as the Endangered Species Program and land acquisition program received increases. The Committee believes a robust level of funding is needed in the FY 2011 budget for these important activities.

The Cooperative Endangered Species Conservation Fund (CESCF) has been one of the FWS's most successful conservation programs. It funds multiple grant programs that foster cooperative partnerships between the federal government, states, and non-federal partners for the protection and conservation of federally-listed threatened and endangered species. The federal resources are then leveraged with millions of state, county, municipal, non-profit, and private dollars. The Budget provided \$85 million for this program, which level funding compared to the FY 2010 enacted level but less than the program's high of \$104.7 million in FY 2001.

The Majority supports the President's proposed budget increase of \$18.75 million to assess and respond to the potential impacts of changes in climatic conditions on wildlife through establishment of Landscape Conservation Cooperatives and Climate Science Centers. To protect billions of dollars in past conservation investments and ensure future investments in refuges and other FWS conservation activities are appropriately targeted, the Majority supports significant federal resources devoted to assess and respond to species adaptation related to changes in regional and global climatic conditions.

6. General Services Administration Public Buildings Service

The President's budget request for the Federal Building Funds was \$291 million, in addition to the revenues and collections deposited in the Fund. This is less than the \$537.9 million requested by the President for FY 2010 and enacted in the FY 2010 Consolidated Appropriations Act. But, according to GSA, this funding will support a capital investment program of \$1.38 billion, including \$676 for new construction and acquisition, and \$703 million for repairs and alterations, which is more than the \$1.15 billion that the FY 2010 budget was expected to support.

The Committee continues to be concerned by GSA's dependence on long-term leases to meet their needs. We encourage the FY 2011 budget to place emphasis on meeting needs through GSA ownership where appropriate.

The Committee is also concerned about the backlog of scheduled courthouse construction projects on the Judicial Conference's five-year plan; many of which are ready for construction. The Committee recommends that the five year plan, as established and approved by the Judicial Conference, be taken into account for funding. The Judicial Conference estimates that approximately \$447.9 million in additional funding should be made available in FY 2011.

We appreciate the opportunity to comment on the programs within the jurisdiction of the Committee on Environment and Public Works. A letter laying out additional Minority views is attached to this correspondence. We look forward to working with you as you prepare the Concurrent Resolution on the Budget for FY 2011.

Sincerely,

A handwritten signature in black ink that reads "Barbara Boxer". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Barbara Boxer
Chairman